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October 7, 2009

Dear Speaker Pelosi and Majority Leader Hoyer,

We write to express our deep concern about the \$4 billion annual tax on medical device manufacturers included in Senator Baucus' proposal for health reform, *America's Healthy Future Act of 2009*. We are extremely concerned that this tax would harm our districts' economies, impede innovation, and ultimately deny access to life-saving medical devices for patients.

Medical technology companies employ more than 357,700 workers in the United States, many of them in firms with less than 100 employees. The medical technology sector offers high-paying jobs to Americans across the country. These jobs are tied heavily to research and development, helping to keep the United States at the forefront of innovation.

The tax proposed in Senator Baucus' health reform bill would assess taxes on manufacturers of medical devices at a rate necessary to generate \$4 billion annually, over ten years. This amount exceeds the total \$3.7 billion in venture capital funding raised by the medical technology sector and is roughly half of the \$9.6 billion in total R&D investment by the sector in 2007.

This \$40 billion tax would hamper investment in R&D, slow innovation, and cut jobs at a time when unemployment rates across the country are already too high. We cannot afford these losses.

We urge you to consider the importance of these life-saving technologies as health reform is considered and look forward to your response.

Sincerely,

Bill Borey

Marsha Blackburn

Ron Paul

Gregg Harper

Joseph R. Pitts

Paul C. Brown

Steve Chabot

Alan K. Linder

John Kline

Don Young

Dan Rostenkowski

Pete Sessions

Phil Rostenkowski (m2)

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